

LAW OFFICES
FRITZ R. KAHN, P.C.
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WASHINGTON, DC 20030-1001

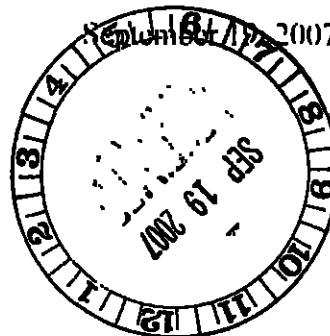
(202) 203-4152
FAX (202) 331-8330
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VIA HAND DELIVERY RETURN COPY

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
395 I Street, SW
Washington, DC 20423



Dear Secretary Williams

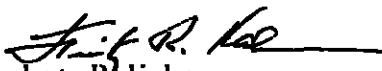
Enclosed for filing in STB Finance Docket No. 35083, SMS Rail Lines of New York, LLC--Lease and Operation Exemption--Delaware and Hudson Railway Company, Inc. Line in Albany County, NY, are the original and ten copies of the Verified Notice of Exemption of SMS Rail Lines of New York

A check for \$1,600.00 in payment of the filing fee is attached

Additional copies of this letter and of the Notice are enclosed for you to stamp to acknowledge your receipt of them and to return to me via the messenger

If you have any questions concerning the foregoing or if I otherwise can be of assistance, please let me know

Sincerely yours,


Fritz R. Kahn

Enc

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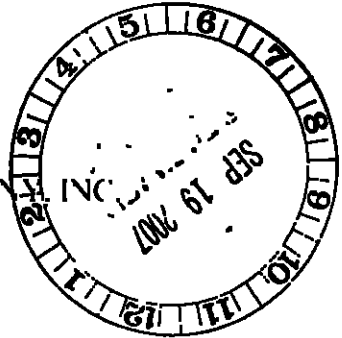
SURFACE
TRANSPORTATION BOARD

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

ORIGINAL

STB Finance Docket No. 35083

SMS RAIL LINES OF NEW YORK, LLC
-- LEASE AND OPERATION EXEMPTION
DELAWARE AND HUDSON RAILWAY COMPANY
LINE IN ALBANY COUNTY, NY



VERIFIED NOTICE OF EXEMPTION
OF
SMS RAIL LINES OF NEW YORK, LLC

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Public Record

Ernst R. Kahn
Ernst R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036
Tel: (202) 263-4152

Attorney for

SMS RAIL LINES OF NEW YORK, LLC

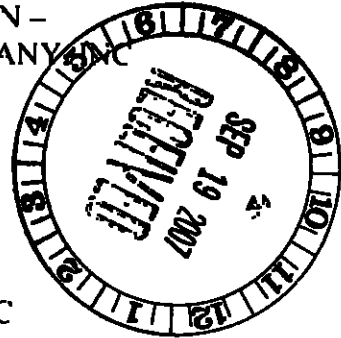
Dated September 19, 2007

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

SIB Finance Docket No 35083

SMS RAIL LINES OF NEW YORK, LLC
-- LEASE AND OPERATION EXEMPTION --
DELAWARE AND HUDSON RAILWAY COMPANY, INC
LINE IN ALBANY COUNTY, NY

VERIFIED NOTICE OF EXEMPTION
OF
SMS RAIL LINES OF NEW YORK, LLC



SMS Rail Lines of New York, LLC, a New York limited liability company ("SMS"), pursuant to 49 U.S.C. 10902 and 49 C.F.R. 1050.41, et seq., states, as follows:

1 Applicant's name and address

SMS Rail Lines of New York, LLC
P O Box 711
Bridgeport, NJ 08014
Tel (856) 467-4800

2 Name and address of applicant's representative

Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036
Tel (202) 263-4152

3 Agreement

SMS has agreed to lease and operate the Voorheesville Running Track of the Delaware and Hudson Railway Company, Inc., d/b/a Canadian Pacific Railway.

extending between Milepost 11 00 in Voorheesville 12085 and a point 50 feet south of the centerline of the bridge at Milepost 26 14 (or engineering station 6136+/-) in Delanson 12053, including the use of the wye track and any track leading to the Northeast Industrial Park at Mileposts 12 1 and 12 29, a distance of approximately 15 miles in Albany County, New York

4 The operator of the railroad line will be SMS

5 The following is a brief summary of the proposed transaction

a The railroad whose line is being leased

Delaware and Hudson Railway Company, Inc
d/b/a Canadian Pacific Railway
Gulf Canada Square (Ste 500)
401 9th Avenue SW
Calgary, AB T2P 4Z4

b The transaction is scheduled to be consummated on the 31st day after the date of filing of the instant Verified Notice of Exemption

c The Voorheesville Running Track extends between Milepost 11 00 in Voorheesville 12085 and a point 50 feet south of the centerline of the of the bridge at Milepost 26 14 (or engineering station 6136+/-) in Delanson 12053, a distance of approximately 15 miles in Albany County, New York

6 A schematic map of the Voorheesville Running Track is attached

7 SMS is a Class III railroad subject to the jurisdiction of the Board, pursuant to the Verified Notice of Exemption in STB Finance Docket No 34928, SMS Rail Lines of New York, LLC--Acquisition and Operation Exemption--Northeast Industrial Park, Inc., served September 29, 2006 SMS certifies that its projected annual revenue following its

proposed lease of the Voorehhesville Running Track will not exceed \$5 million and that the proposed transaction will not result in the creation of a Class II or Class I rail carrier

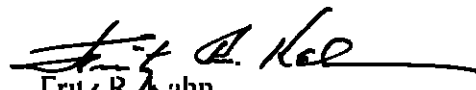
8 Since this is a transaction which will result in no significant changes in the presently performed railroad operations, that is, there will be no increase in trail traffic exceeding the thresholds of 49 C.F.R. 1105.7(c)(4) or (5), no environmental documentation is required, pursuant to 49 C.F.R. 1105.6(c)(2)(i). Similarly, since the proposed transaction will not result in the disposition or alteration of properties subject to the Board's jurisdiction which are 50 years old or older, no historic report is required, pursuant to 49 C.F.R. 1105.8(b)(1).

9 Pursuant to 49 U.S.C. 10902(c), no employee protective conditions need to be attached

Respectfully submitted,

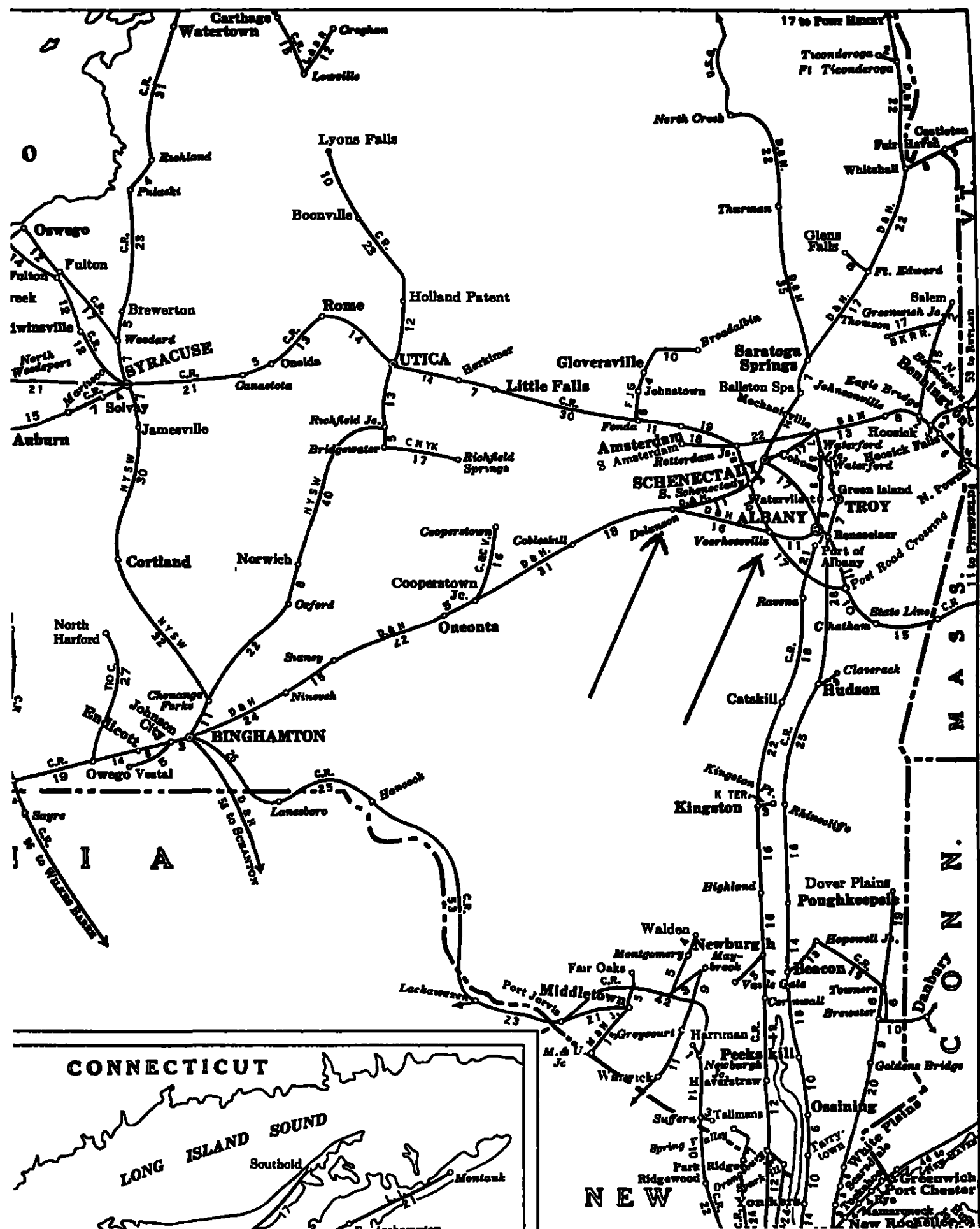
SMS RAIL LINES OF NEW YORK, LLC

By its attorney,



Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036
Tel: (202) 263-4152

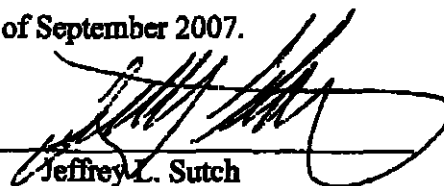
Dated: September 19, 2007



VERIFICATION

I, Jeffrey L. Sutch, President of SMS Rail Lines of New York, LLC declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Verified Notice of Exemption and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification on behalf of SMS Rail Lines of New York, LLC. I know that willful misstatements or omission of material fact constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Bridgeport, NJ, this 18 day of September 2007.


 Jeffrey L. Sutch

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD WASHINGTON, DC

STB Finance Docket No. 35083

SMS RAIL LINES OF NEW YORK, LLC -- LEASE AND OPERATION EXEMPTION -- DELAWARE AND HUDSON RAILWAY COMPANY, INC. LINE IN ALBANY COUNTY, NY

SMS Rail Lines of New York, LLC has filed a Verified Notice of Exemption to lease and operate the Voorheesville Running Track of the Delaware and Hudson Railway Company, Inc., d/b/a Canadian Pacific Railway, extending between Milepost 11.00 in Voorheesville 12085 and a point 50 feet south of the centerline of the bridge at Milepost 26.14 (or engineering station 6136+/-) in Delanson 12053, including the use of the wye track and any track leading to the Northeast Industrial Park at Mileposts 12.1 and 12.29, a distance of approximately 15 miles in Albany County, New York. Comments must be filed with the Board and served on Fritz R. Kahn, Fritz R. Kahn, P.C., 1920 N Street, NW (8th fl.), Washington, DC 20036 (Tel. (202) 263-4152).

The Verified Notice of Exemption is filed under 49 C.F.R. 1150.41, et seq. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.